THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV): (a) to (d). The State Government of Madhya Pradesh has informed that while no agreement has been signed by it with NECO Group of Industries to set up a pig iron plant at Siltara, an MOU has been signed on 9.7.94 between the Madhya Pradesh Audyogic Vikas Nigam Limited (MPAVN), s State Government Undertaking, and Nagpur Alloy Castings Limited to set up a unit to produce 5 lac tpa of HR Steel Coils which would be augmented to produce 1 million tonnes of flat products, at Siltae Growth Centre, Raipuir, Madhya Pradesh.

The State Government has further informed that according to the Company, the estimated project cost is around Rs. 1860 crores, the Company has agreed for providing employment opportunities to the land owners and to the local people as for as possible, and will also undertake to impart training to the local people to equip them for jobs. In all about 1970 persons in different categories would be employed.

Assistance for Mini Steel Plant Industry

4338. SHRI YERRA NARAYANA-SWAMY: Will the Minister of STEEL be pleased to state:

(a) whether Government propose to assist the mini steel plant industry through fiscal policy and excise reduction;

(b) if so, the objectives of the assistance;

(c) whether a large number of mini steel plants are sick;

(d) how many mini steel plants are not working with full capacity; and

(e) whether full capacity utilisation is the objective of granting various fiscal incentives?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV): (a) to (e) There are at present 181 Electric Arc Furnace (EAF) units. These units are primarily in the private sector. The EAF industry is characterised by a predominance of small sized furnaces which are not able to adopt modern technological features. Coupled with this, labour, financial and managerial problems faced by these units led to the closure of a number of units over a period ot time, and as on 30.6.94, 85 units were reported to be closed. In addition, their recent performance has been adversely affected by the sharp rise in the international prices of scrap, which constitutes their basic raw material, and other factors like high power tariff, demand recessin etc. Government has reduced the import duty on steel melting scrap from 12.5% to 5% to improve the performance of the EAF units. In addition, State Governments have been advised to consider supplying uninterrupted power to these units, at concessional rates. Further more, measures like increased allocation in the 1994-95 budget to sectors like rural development, infrastructure etc., reduction in project import duty from 35% to 25%, extension of Modvat to capital goods, reduction of interest rate by 1% are expected to improve the performance of steel plants.

Appointment in MECON

4339. SHRI DIPANKAR MUKHERJEE: Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that Metallurgical and Engineering Consultatants India Limited (MECON), a Public Sector Undertaking, appoints a number of advisers who have retired from service of MECON (in the rank of Chief Engineers and above) or some unit of Steel Authority of India Limited; and

(b) if so, (i) how many of them are serving at present; (ii) whether they are advisers to the Chairman/Directors/ General Mangaers/Others or to some other officer; (iii) what are their functions; (iv) can the functions not be performed by the persons who were reporting to the adviser prior to the adviser's retirement from MECON; and if not, can it not be assumed that the person deliberately did not groom his subordinates with the motive to get himself appointed as adviser; and (v) what are the emoluments paid to the advisers and what are the perks?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV): (a) and (b) MECON has not appointed but engaged on contract basis 5 persons as Advisers who retired from the services in the rank of Chief Engineers or above